

February 16, 2008

To Senate Business and Labor Committee Members  
From State Senator Kim Gillan  
Re; SB 234 Fiscal Note Insurance Coverage for Autism

The Fiscal Note for the bill was substantial. However, upon further discussion with the Administrator of the State Health Benefits division and proposed amendments, I am confident that the fiscal note can be reduced substantially. The number of children potentially eligible for coverage is far less than the state's original prediction AND the level of service utilization or patterns of utilization suggest that only 1/3<sup>rd</sup> will require services at the \$50,000 level. Let me share why:

1. The amendments clarify that the autism benefits are for those up to 18 years of age. Furthermore, we also are suggesting that the \$50,000 cap apply to those 0 to 8 years; a smaller benefit of \$20,000 apply from age 9 to 18.
2. Most children are not diagnosed until age 3. The original fiscal note calculated there would be 66 children with maximum benefit of \$50,000. This calculation was based on 9853 dependents(0 to age 25). There are only 7100 dependents age 0-18, which would theoretically reduce the number of potentially autistic children to 49 (assuming 1 out of 150). However, we know most are not diagnosed until age 3. **There are 1939 children between the ages of 3 and 8 in the state health plan. Assuming 1 out of 150, that means theoretically, 14 would be eligible for the maximum benefit of \$50,000. (Note, amendments limit the cap to those up to age 8, then it reduces to \$20,000.**
3. While CDC indicates that 1 out of 150 children may be diagnosed as autistic...there is a spectrum and typically (based on experience in other states) only one third of those require the most intensive services. Given that the average age of diagnoses is 3 years...and about only one-third need maximum services, the fiscal note would be further reduced.
4. We have included amendments to define medically necessary and to require a treatment plan. This should help with cost management while also providing the parents predictability in terms of what will be covered.
5. The prescription or other aspects of care are likely to be covered under other portions of the health care plan and thus there should be no increase in costs, as these are already calculated into existing premiums.
6. We cannot make an estimate of the potential increase, if any, to premiums. Based on the experiences of other states, and taking the preceeding factors into consideration, it is likely to be FAR less than that theorized at the hearing.

**Over the lifetime of an autistic child, it can cost between \$3.2 million and \$5 million. It is unrealistic to assume that parents can bear the burden alone, without insurance.**

Thanks so much.